

Global Equities

January 2026



Liontrust GF Global Alpha Long Short Fund



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Key highlights

- Global equities started 2026 on a firm footing as leadership broadened beyond US mega-caps. International and emerging markets outperformed, helped by a weaker dollar, while value and cyclicals gained traction.
- Materials saw unusually elevated volatility in January, driven largely by sharp movements in precious metals. Gold and silver rallied strongly early in the month, extending their powerful 2025 performance as investors sought hedges against geopolitical risks and currency volatility.

Performance

The Liontrust GF Global Alpha Long Short Fund returned 1.1% in US dollar terms in January, compared with the 0.3% return of the Secured Overnight Financing Rate reference benchmark and the 2.3% return of the HFRX Equity Hedge (USD) Index, also a reference benchmark.

	1m	3m	6m	YTD	1yr	3yr	5yr	Since inception
Liontrust GF Global Alpha Long Short B8 Acc USD	1.1%	-0.0%	2.4%	1.1%	13.0%	41.1%	30.2%	145.8%
FRB of New York Secured Overnight Financial Rate	0.3%	0.9%	2.0%	0.3%	4.2%	15.0%	17.4%	-
HFRX Equity Hedge	2.3%	3.3%	7.0%	2.3%	10.2%	27.7%	42.3%	59.6%

Source: FE Analytics, as at 31.01.26, total return, net of fees and income reinvested.

Commentary

Market backdrop

Global equities started 2026 on a firm footing as leadership broadened beyond US mega-caps. International and emerging markets outperformed, helped by a weaker dollar, while value and cyclicals gained traction. The MSCI World advanced, with MSCI World ex-US and EM stronger still.

In the US, the S&P 500 briefly topped 7,000 intramonth and finished January modestly higher. Breadth improved: small caps and value outperformed large-cap growth, and energy led global sectors as WTI crude snapped a five-month losing streak with a 13–14% rebound.

Central banks stayed data-dependent. The Federal Reserve held rates at 3.50–3.75% in late January, while late-month policy headlines (Fed leadership nomination) and geopolitics introduced short-term volatility; nonetheless, the weaker dollar underpinned non-US returns.

Materials saw unusually elevated volatility in January, driven largely by sharp movements in precious metals. Gold and silver rallied strongly early in the month, extending their powerful 2025 performance as investors sought hedges against geopolitical risks and currency volatility. However, in the final days of January, the precious-metals complex experienced a severe sell-off, with gold falling ~4% and silver dropping ~10% in a single session as traders locked in gains following record levels achieved earlier that week. This reversal coincided with a rebound in the US dollar – after touching a four-year low earlier in the month – and shifting interest-rate expectations.

Portfolio review

Our Storage and Memory theme was the largest contributor in the month. Long positions in **Seagate** (+48% in US dollar terms), **Micron** (+21%) and **SK Hynix** (+40%) performed exceptionally well as the market sharply repriced the scale and persistence of the supply–demand imbalance in HBM, DDR5 and storage. It became increasingly clear that the ongoing AI-server build-out is creating a multi-year shortage, supporting sustainably strong pricing into 2027 and reinforcing our conviction in memory-driven AI infrastructure.

The Precious Metals / Risk-Diversifiers theme also contributed meaningfully. January saw a sharp rally in gold and silver, and mining equities responded in kind. Despite this move, a significant disconnect remains between forward metals prices and consensus forward earnings for miners, strengthening our view that the sector remains undervalued and continues to provide effective diversification within the portfolio.

Our Electrification theme added further upside, with **Siemens Energy** (+22%) and **RWE** (+16%) posting strong gains. Both names benefited from continued momentum in European grid investment, renewable integration, and improving visibility across conventional and transmission businesses.

In contrast, the AI Infrastructure basket detracted in aggregate. Strong long contributions from **ASML** (+34%) and our short in **Oracle** were outweighed by sharp rallies in **CoreWeave** and **Ultra Clean Holdings**, both of which experienced short-squeeze dynamics as AI-adjacent enthusiasm broadened through the month. Importantly, ASML's results – highlighting forward orders running at nearly twice market expectations – strengthened our conviction that global AI-infrastructure spend is accelerating.

The Crypto theme also detracted, as Bitcoin fell below \$80k, reversing all gains since the U.S. election in November 2024. This weighed on related equity exposures.

Finally, **Shopify** (-18%), **Microsoft** (-11%) and **Atlassian** (-27%) were notable laggards leading to the AI software theme dragging as premium-multiple software broadly underperformed in a softer trading environment and ongoing rotation toward cyclicals and value.

Portfolio changes

Portfolio changes in January strengthened the Fund's positioning in AI infrastructure, defence, and emerging markets while de-risking premium software, unstable AI-adjacent names, and weaker consumer businesses, and expanding metals/mining as portfolio diversifiers.

Specifically in AI infrastructure we increased exposure to true AI bottlenecks such as memory, storage, and semi cap enablers – **BE Semi, NetApp and Infineon** - whilst reducing exposure to high beta AI proxies by exiting **Marvell, Amphenol, Broadcom and Roku**.

In the AI software theme we selectively de-risked as we continue to reduce valuation sensitive software names following the renewed factor rotation away from premium growth. **Snowflake** and **Akamai** longs were reduced while high conviction shorts were increased.

And our emerging markets exposure was increased mainly through additions to China through **Tencent** and **Auto1**.

Outlook

We entered 2026 with a constructive but balanced view. The global equity market backdrop improved further in January, reinforcing several themes that emerged into year-end. Market leadership broadened meaningfully, with international and emerging markets outperforming US equities as the dollar weakened and cyclical sectors gained momentum. At the same time, the S&P 500 held near record levels, briefly surpassing the 7,000 mark before finishing the month modestly higher. These dynamics strengthen our conviction that 2026 will be characterised by a wider opportunity set beyond the US mega-cap complex that dominated the prior two years.

January's data remained broadly consistent with a soft-landing scenario, with inflation continuing to moderate and labour conditions cooling gradually. The Federal Reserve held rates at 3.50-3.75%, signalling a pause after 2025's cuts. Late-month volatility – sparked by the nomination of a new Fed Chair – did little to derail underlying fundamental resilience.

Macro conditions continue to point toward a soft landing, with inflation easing and labour markets gradually cooling. The Fed held rates steady at 3.50-3.75%, and although the late-month Fed Chair nomination added volatility, fundamentals remained intact.

Our highest-conviction themes remain unchanged:

- AI infrastructure investment is accelerating, not slowing—supported by persistent memory tightness and ASML's order book running well ahead of expectations.
- European cyclicals continue to benefit from improving visibility and supportive policy environments.
- Emerging markets remain well-positioned, aided by USD weakness and resilient local demand.
- Commodities, especially precious metals, may see volatility but remain structurally supported by geopolitical risk.

Risks persist—policy divergence, geopolitics, and valuation sensitivity within premium software—but the combination of broader equity leadership, firming global growth, and accelerating AI-capex continues to create a favourable environment for active, globally diversified stock selection.

Key Features of the Liontrust GF Global Alpha Long Short Fund

Investment objective & policy ¹	<p>The Fund seeks to deliver capital appreciation over the long term by taking long, synthetic long and synthetic short positions, primarily in global equities and equity related derivatives. The Fund is considered to be actively managed in reference to the benchmark(s) in the performance table by virtue of the fact that it uses the benchmark(s) for performance comparison purposes. The benchmark(s) are not used to define the portfolio composition of the Fund and the Fund may be wholly invested in securities which are not constituents of the benchmark. The Fund may invest anywhere in the world but will primarily invest in global companies either directly or via derivatives. There is no policy to restrict investment to particular economic sectors. The Fund may use financial derivative instruments for investment purposes and for efficient portfolio management (including hedging). The Fund will take both long and short positions in derivatives meaning the gross exposure of the Fund will typically be greater than 100% of the net asset value of the Fund. The Investment Adviser will alter the ratio of long and short exposures in the Fund depending on the Investment Adviser's confidence in the investment process' ability to generate returns from the long and short positions. The net market exposure from a combination of the Fund's long and short positions will vary depending on market conditions and the Fund can potentially go either net long or net short. Where investments are held in a currency other than the base currency, the exposure to currency risk may be minimised by hedging. Income from the Fund's investments is reinvested.</p>
Recommended investment horizon	5 years or more
Risk profile (SRI) ²	5
Active/passive investment style	Active
Benchmark	<p>The Fund is considered to be actively managed in reference to the following benchmarks by virtue of the fact that it uses them for performance comparison purposes:</p> <ul style="list-style-type: none"> • the Secured Overnight Financing Rate (SOFR) (for Hedged Share Classes, the currency equivalent that corresponds with the relevant Share Class currency is used); and • the HFRX Equity Hedge (USD) Index. <p>Neither benchmark is used to define the portfolio composition of the Fund or as a performance target. The Fund may be wholly invested in securities which are not constituents of the benchmarks.</p> <p>The HFRX Equity Hedge (USD) Index is designed to be representative of the overall composition of the equity hedge</p>

	segment of the hedge fund universe and is denominated in US dollars.
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Notes: 1. As specified in the PRIIP KID of the fund; 2. SRI = Summary Risk Indicator. Please refer to the PRIIP KID for further detail on how this is calculated.

For a comprehensive list of common financial words and terms, see our glossary at: <https://www.liontrust.com/glossary>.

Discrete years' performance (%)* to previous quarter-end:

	Dec-25	Dec-24	Dec-23	Dec-22	Dec-21
Liontrust GF Global Alpha Long Short B8 Acc USD	14.8%	7.0%	11.6%	-18.7%	11.3%
FRB of New York Secured Overnight Financial Rate	4.2%	5.2%	5.0%	1.6%	0.0%
HFRX Equity Hedge	10.1%	7.8%	6.9%	-3.2%	12.1%

Source: FE Analytics, as at 31.12.25, total return, net of fees and income reinvested. *The Fund was launched on 24 January 2025 to receive the assets of GAM Star Alpha Technology, which was a sub-fund of GAM Star plc ("the merging fund"), which was very similar to the Fund. Because of the similarities between the merging fund and the Fund, the past performance of GAM Star Alpha Technology C Acc - EUR share class has been used for periods prior to the Fund's launch date.

Key Risks.

Past performance does not predict future returns. You may get back less than you originally invested. We recommend this fund is held long term (minimum period of 5 years). We recommend that you hold this fund as part of a diversified portfolio of investments

Overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund. The Fund can invest in derivatives. Derivatives are used to protect against currency, credit or interest rate moves or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The Fund uses derivative instruments that may result in higher cash levels. Outside of normal conditions, the Fund may choose to hold higher levels of cash. Cash may be deposited with several credit counterparties (e.g. international banks) or in short dated bonds. A credit risk arises should one or more of these counterparties be unable to return the deposited cash. The Fund's volatility limits are calculated using the Value at Risk (VaR) methodology. In high interest rate environments the Fund's implied volatility limits may rise resulting in a higher risk indicator score. The higher score does not necessarily mean the Fund is more risky and is potentially a result of overall market conditions. The Fund may invest in emerging markets which carries a higher risk than investment in more developed countries. This may result in higher volatility and larger drops in the value of the fund over the short term. Certain countries, including China, have a higher risk of the imposition of financial and economic sanctions on them which may have a significant economic impact on any company operating, or based, in these countries and their ability to trade as normal. Any such sanctions may cause the value of the investments in the fund to fall significantly and may result in liquidity issues which could prevent the fund from meeting redemptions. The Fund may invest in smaller companies and may invest a small proportion (less than 10%) of the Fund in unlisted securities. There may be liquidity constraints in these securities from time to time, i.e. in certain circumstances, the fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the fund to defer or suspend redemptions of its shares. The Fund may encounter liquidity constraints from time to time. The spread between the price you buy and sell shares will reflect the less liquid nature of the underlying holdings. There is no guarantee that an absolute return will be generated over any time period. The Fund may have both Hedged and Unhedged share classes available. The Hedged share classes use forward foreign exchange contracts to protect returns in the base currency of the Fund. ESG Risk: there may be limitations to the availability, completeness or accuracy of ESG information from third-party providers, or inconsistencies in the consideration of ESG factors across different third party data providers, given the evolving nature of ESG. Investors in share classes with a performance fee will pay a variable performance fee amount that is based on the performance of the underlying share class, which is likely to result in different total fees being charged each year and, during periods of outperformance, higher total fees than that of a share class with no performance fee. A performance fee may be payable in case the share class has outperformed its benchmark but had a negative performance. The issue of units/shares in Liontrust Funds may be subject to an initial charge, which will have an impact on the realisable value of the investment, particularly in the short term. Investments should always be considered as long term.

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